

MINUTES OF BOARD OF REVIEW
June 6, 2017

1. Call to Order, Roll Call

The meeting of the Village Board of Review of the Village of Slinger was called to order by President Brandt at 300 Slinger Road, Slinger, WI at 2:00 p.m. on Tuesday, June 6, 2017 with the following members present: President Brandt, Clerk Tennies, and Trustee Gundrum. Also present were Village Assessor Michael Grota of Grota Appraisals and Deputy Clerk Smith and Trustee Otte (arrived at 2:30).

2. Election of Chair and Clerk

Motion Tennies/Gundrum to elect President Brandt as Chairperson. Motion Brandt/Tennies to appoint Trustee Gundrum as Second Chair since President Brandt would be recusing himself later in the meeting. It was noted that Trustee Otte would replace him on the Board of Review. Motion passed.

Motion Tennies/Gundrum to appoint Deputy Clerk Smith as Clerk of the Board of Review. Motion passed.

3. Verify Member Training Affidavit

Clerk Tennies informed the Board that she completed Board of Review training on May 19, 2016 as required under WI Stat 70.46(4). She stated the training affidavit was electronically filed with the Department of Revenue on May 20, 2016 and is on file at Village Hall.

4. Receive 2017 Assessment Roll and Signed Affidavit from Village Assessor

Assessor Grota submitted his signed Assessor's Affidavit and Clerk Tennies accepted it for inclusion in the Board of Review record. He informed the Board that the final 2017 Assessment Roll was delivered to the Village in early May.

5. Examine the 2017 Assessment Roll

Clerk Tennies provided the Board with the preliminary and final assessment rolls for 2017 and informed the Board that staff had reviewed the roll prior to this meeting. She stated that all questions resulting from her review had been answered.

The Board stated they were aware that the roll was reviewed by Clerk Tennies and noted it was present for further review. Assessor Grota noted that he was giving the Board the late Open Book Changes.

6. Hear Waiver of 48-Hour Notice of Intent to File Objection Requests

Chairperson Brandt stated that at this time, the Board would hear any requests for a waiver of the 48-hour notice of intent to file objections. There were none.

7. Receive Objection Forms Not Previously Filed (first two hours only unless waived)

Deputy Clerk Smith informed the Board there were no objection forms received as of this time.

8. Hear Objections to Property Assessments and Take Action as Necessary

A. Tax Key #V5-0619-025-00B – 1056-1058 E Commerce Blvd.

Dove Plaza II, LLC Suresh Misra Owner, Gary Kohlenberg Agent

Deputy Clerk Smith introduced the hearing for tax key #V5-0619-025-00B with an assessed value of \$3,102,400.00. It was noted that the objection form submitted indicated that the property owner believes the value of the property should be \$1,500,000.00. Deputy Clerk Smith then swore in all witnesses to this hearing, which were Assessor Grota and Gary Kohlenberg the agent for property owner Suresh Misra/Dove Plaza.

Mr. Kohlenberg began with a brief background about himself and his qualifications as agent. He then presented his information to the Board regarding Dove Plaza's assessment. He stated that the building has not had full tenant capacity for some time and that only 53% of the building is currently being rented. He stated that the owner has done everything to fill the vacancies. He has hired several agencies to market the building, he has lowered the rent, and he also stated he felt if the owner were to sell the building he could not sell it for anywhere near the assessed value. He stated that the revenue/lack of revenue from tenants needs to be considered to determine the real value.

Mr. Kohlenberg handed out and discussed several comparable sales within the state. He also presented the Board with Dove Plaza's monthly income, an income adjustment sheet from 2014-2015, and a profit and loss sheet from 2015 since the 2016 numbers were not yet complete. He also stated that Mr. Misra is having a hard time paying on his mortgage due to the building's vacant lease space.

Assessor Grota had several questions regarding the profit/loss statement presented including common area deductions like landscaping/snow plowing and utilities, depreciation, taxes and other businesses expenses. He also asked if there was a current financial statement or any of the leases for review. Mr. Kohlenberg stated he did not have any leases or statements from 2016. Discussion took place on the gross potential for lease space, what shared costs the tenants had, the monthly lease income, and when the current tenant's leases would expire.

Assessor Grota than provided the Board with a list of comparable properties that are for sale or had sold. He stated that he felt the age and size of the buildings being compared to this property are important as well as the traffic counts.

Chairperson Brandt asked Mr. Kohlenberg if he had any additional questions of the Assessor or anything further to say. Mr. Kohlenberg stated that the assessor had a lot of listings and only a handful of sales and what is important to an investor is how much the property is going to make and that the Assessor should not be using a 10% vacancy factor when the building has had a much higher vacancy rate. He stated that he felt the building was over assessed at just over 3 million dollars and felt \$1,500,000 was closer to a true assessment.

In his summary, Assessor Grota stated he felt the assessment was reasonable based on current market rents, leasing and sales, gross potential, and the fact that the actual lease documents are not available for review. He also noted that in 2009 the building was assessed at 3.6 million dollars, so the assessment had been reduced over the years.

The Board members discussed the subject parcel and agreed that it is unfortunate that the vacancy in the subject parcel is higher than 10% as used to factor the assessment. They also agreed they would have liked to see the current leases and review the profit & losses for 2016. The Board concurred that it was their opinion that the proposed values were acceptable.

Motion Gundrum/Tennies to determine that the Agent for the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's 2017 valuations of \$3,102,440 for parcel V5-0619-025-00B located at 1056-1058 E Commerce Blvd. A roll call vote was taken with the following results: Yea's: Brandt, Gundrum & Tennies. Nay's: None. Unanimously passed.

Assessor Grota stated the Notice of Board of Review Determination & further appeal procedure information would be mailed to the taxpayer.

**B. Tax Key # V5-0598-002-001 – 1429 American Eagle Drive
Gilbert Kuzera**

Deputy Clerk Smith introduced the hearing for tax key #V5-0598-002-001 located at 1429 American Eagle Drive with a total assessment of \$186,000. She stated that the objection form had been submitted prior to this meeting. It was noted that Mr. Kuzera indicated that he felt his assessed value should be \$125,925.

Assessor Grota stated that originally, he thought Mr. Kuzera wanted to represent all properties within his association, however he noted that not all property owners had signed the agent authorization, so he wanted to be clear that Mr. Kuzera was only representing himself. Mr. Kuzera stated that he would have liked to represent all parties, but didn't have time to obtain the needed signatures and understood he would be reviewing just his property.

Mr. Kuzera stated he felt that this property was over assessed. He stated that a \$32,000 land assessment given all 16 units for the 3.12 acres of land would reflect an assessment of \$512,000 for the land and he felt that a charge of \$195,000 for the 3.12 acres (\$12,187.50 per unit) would be a more reasonable assessment. He stated that when looking on the internet the average for a one acre parcel was about \$65,000 – \$75,000. He also noted that a comparable property would be the property behind him at 1515 Pine Cove Lane which is 5 acres in size and sold for \$128,800. He also stated that his home assessment at \$137,671 or \$111 per Sq. Ft. was on the high side and felt a fair assessment would be \$80-\$82 per Sq. Ft.

Assessor Grota provided the Board with a list of comparable properties and discussed their specifics. He also discussed Chapter 70.32 (1) of the Wisconsin Statutes and how they are

used for determining assessments. He also explained that land values on condos are packaged and single-family homes cannot be used for comparison.

Assessor Grota stated he felt the \$186,000 is a fair assessment with the other comps in the Village.

Mr. Kuzera asked why he is being assessed at \$111 per Sq. Ft. when it seems others were around \$70-80 per Sq. Ft. Assessor Grota stated that age, amenities, and overall quality are also used when preparing an assessment and that this property was fairly assessed.

The Board members asked how old the building was and agreed that the newer condos/homes often are built with higher end materials. It was noted that the condo was built in 2006.

Motion Brandt/Gundrum that the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's 2017 valuations of \$186,000 for parcel V5-0598-002-001 located at 1429 American Eagle Drive. A roll call vote was taken with the following results: Yea's: Brandt, Gundrum & Tennes. Nay's: None. Unanimously passed.

Assessor Grota stated that the Notice of Board of Review Determination & further appeal procedure information would be mailed to him.

Chair Brandt recused himself for the remainder of the meeting. Trustee Gundrum chaired the rest of the meeting and Trustee Otte, an alternate, joined Clerk Tennes and Trustee Gundrum on the Board.

9. Hear Objections to Property Assessments and Take Action as Necessary

C. Tax Key #V5-0642-00G – 1175 E Commerce Blvd.

Westbury Bank Owner, Josh Smith Agent

Deputy Clerk Smith introduced the hearing for tax key #V5-042-00G with an assessed value of \$1,882,400. Assessor Grota noted the objection form submitted did not indicate an amount the property owner thought was a fair assessment. Mr. Smith stated he felt \$1,596,000.00, which was the 2015 assessment, was a fair assessment. Deputy Clerk Smith then swore in all witnesses to this hearing, which were Assessor Grota, Chris Gelting, and Josh Smith representing Westbury Bank.

Mr. Smith stated that he felt the 2015 assessment is the right assessment for this property. He stated that there has been no change in tenants and that the building is only half occupied and if it were 90-100% occupied, then the assessment would be closer to a true assessment. He also noted that one of the units doesn't even have a poured floor yet. He stated that they are marketing the building, have reduced rental fees and if they were to sell the building they wouldn't get near what it is assessed for.

Assessor Grota handed out and explained his comparables. Discussion took place on the comparables including the size of the buildings, building age, anchor stores and it was

acknowledged that the sale of this building was not an arm's length transaction.

Mr. Smith recapped that he felt the 2015 assessment was closer to being a true assessment, since nothing on the building has changed since 2015, same renters and still 50% unoccupied. He also stated that he felt if the building were to sell it would sell for about \$760,000.

In his summary Assessor Grota reiterated how properties were assessed based on the Assessor's manual and State statutes and stated he felt his assessment of this property was fair.

The Board asked what the 2017 overall reassessment for the Village was. Assessor Grota stated about 5.6% overall and also noted that after open book there was a reduction on this property of \$476,800.

Motion Otte/Gundrum that the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's 2017 valuations of \$1,882,400 for parcel V5-0642-00G located at 1175 E Commerce Blvd.. A roll call vote was taken with the following results: Yea's: Gundrum, Otte & Tennes. Nay's: None. Unanimously passed.

Assessor Grota stated that the Notice of Board of Review Determination and further appeal procedures would be mailed to Westbury Bank.

10. Adjournment

Motion Tennes/Otte to adjourn the Board of Review sine die at 4:22pm. A vote was taken on this motion with the following results: Yea's: Gundrum, Otte, Tennes; Nay's: None. Unanimously passed.

Russell E. Brandt, Chairperson

Minutes submitted by Dawn Smith/Deputy Clerk